

HELM
FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111
415/398-4510 FAX 415/398-4816

VIA AIR COURIER

November 1, 1996

Mr. Vernon Williams
Recordations Unit
Surface Transportation Board
Department of Transportation
12th and Constitution Avenue, N.W.
Washington, DC 20423

Dear Mr. Williams:

Enclosed are two (2) originals of the Memorandum of Lease of Railroad Equipment dated as of August 30, 1996 between the following parties:

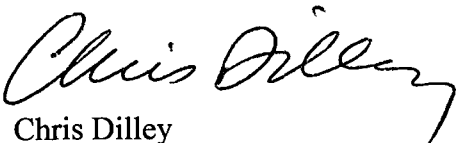
Lessor:	Montana Rail Link, Inc. 101 International Way Missoula, MT 59802
Lessee:	Helm Financial Corporation One Embarcadero Center, Suite 3700 San Francisco, CA 94111

The equipment involved in this transaction is as follows:

Equipment: Twelve (12) SD40 locomotives (See Schedule A attached for reporting mark & numbers.)

Please file this agreement as a primary document. The filing fee of \$22.00 is enclosed.

Sincerely,



Chris Dilley
Administrative Assistant

/cpd
Enclosure

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MEMORANDUM OF
LOCOMOTIVE LEASE AGREEMENT

THIS MEMORANDUM OF LOCOMOTIVE LEASE AGREEMENT ("Memorandum of Lease") made as of August 30, 1996 is intended to evidence the Locomotive Lease Agreement, dated as of August 30, 1996 (the "Lease") between MONTANA RAIL LINK, INC., a Montana corporation ("Lessor"), and HELM FINANCIAL CORPORATION, a California corporation ("Lessee") for the purpose of satisfying the requirements of recordation with the Surface Transportation Board of the Department of Transportation under Section 49 of U.S.C. 11303. Lessor has the right to lease the locomotives, more fully described in Schedule A hereto (the "Units"). Lessee leased from Lessor the Units at the rentals and upon the terms and conditions provided in the Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Lease to be executed by their duly authorized representative as of the day and year first above written.

LESSOR

MONTANA RAIL LINK, INC.

By: Mel Dinus
Print Name: MEL DINUS
Its: CMO

LESSEE

HELM FINANCIAL CORPORATION

By: [Signature]
Print Name: Richard C. Kirchner
Its: President

am

SCHEDULE A

**To the Memorandum of Locomotive Lease Agreement dated August 30, 1996
between Montana Rail Link, Inc. and Helm Financial Corporation.**

THE UNITS

Description:

Twelve (12), 3,000 horse power, SD40 locomotives equipped with dynamic
brakes. Built by EMD 1968-1971.

Reporting Mark & Numbers:

MRL 200
MRL 206
MRL 209
MRL 213
MRL 214
MRL 216
MRL 218
MRL 220
MRL 221
MRL 222
MRL 223
MRL 225

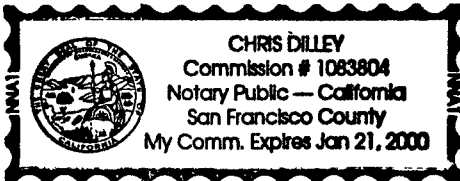
STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On October 4, 1996, before me, Chris Dilley
personally appeared Richard C. Kirchner, President of **HELM FINANCIAL CORPORATION**,

X personally known to me -OR-

— proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.



[Notarial Seal]

Chris Dilley
SIGNATURE OF THE NOTARY

STATE OF MONTANA)
) S.S.
COUNTY OF Missoula)

On September 23, 1996, before me, Beverly E. Gunderson
personally appeared Mei Dinius, Chief Mech. Officer of
MONTANA RAIL LINK, INC.,

X personally known to me -OR-

— proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Beverly E. Gunderson
SIGNATURE OF THE NOTARY

[Notarial Seal]

20357- 11-5-96

OUT

IDENTIFICATION OF RECORD (NUMBER, TITLE AND/OR SUBJECT, DATE OF FILE OR DOCUMENT)	CHARGED TO (PERSON & OFFICE)	DATE CHARGED OUT

OPTIONAL FORM 23
FEB 1962
GSA Circular No 259

CHARGEOUT RECORD

5023-101

GPO 1962 OF-612734-

DATE CHARGED OUT	CHARGED TO (PERSON & OFFICE)	IDENTIFICATION OF RECORD (NUMBER, TITLE AND/OR SUBJECT, DATE OF FILE OR DOCUMENT)

OUT